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RECORDATION NO. Filed & Recorded

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INTERSTATE COMMERCE COMMISSION

Assignment of Lease and Agreement

Dated as of July 15, 1975

BETWEEN

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,

as Trustee

AND

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,

as Agent

ASSIGNMENT OF LEASE AND AGREEMENT dated as of July 15, 1975 between CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, called the Vendee) under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement) with CHEMICAL BANK and INTERNATIONAL PAPER EQUIPMENT LEASING CORPORATION (hereinafter called the Beneficiaries), and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Agent (hereinafter, together with its successors and assigns, called the Assignee) under a Finance Agreement dated as of the date hereof (hereinafter called the Finance Agreement) with the Vendee, ST. LOUIS-SAN FRANCISCO RAILWAY COMPANY (hereinafter called the Lessee), the Beneficiaries and the Investors named in Annex A thereto (hereinafter called the Investors).

WHEREAS, the Vendee and the Lessee have entered into Conditional Sale Agreements dated as of the date hereof (hereinafter called the Conditional Sale Agreements) with PULLMAN INCORPORATED (PULLMAN-STANDARD DIVISION) and GREENVILLE STEEL CAR COMPANY, respectively (hereinafter called the Builders), covering the construction, sale and delivery, on the conditions therein set forth, by the Builders and the purchase by the Vendee of the railroad equipment described in Annex B to the respective Conditional Sale Agreements (hereinafter called the Equipment);

WHEREAS, each Builder and the Assignee have entered into an Agreement and Assignment dated as of the date hereof (hereinafter called the Conditional Sale Assignments) assigning to the Assignee the right, security title and interest of such Builder under its respective Conditional Sale Agreement as security for the payment of the aggregate Conditional Sale Indebtedness (as defined in the Conditional Sale Agreements);

WHEREAS, the Vendee and the Lessee have entered into a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the Lease) providing for the lease to the Lessee of the Equipment; and

WHEREAS, in order to provide further security for the payment of the aggregate Conditional Sale Indebtedness and as an inducement to the Investors to invest in the Conditional Sale Indebtedness, the Vendee has agreed to assign for security purposes certain of its rights in, to and under the Lease to the Assignee;

NOW, THEREFORE, THIS ASSIGNMENT OF LEASE AND AGREEMENT (hereinafter called this Assignment) WITNESSETH That, in consideration of the

sum of One Dollar and other good and valuable consideration paid by the Assignee to the Vendee, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained, the parties hereto do hereby agree as follows:

SECTION 1. The Vendee hereby assigns, transfers and sets over unto the Assignee, its successors and assigns: (i) all the Vendee's right, title and interest as lessor under the Lease, together with all rights, powers, privileges and other benefits of the Vendee as lessor under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Vendee under or pursuant to the provisions of the Lease, whether as rent, casualty payment, termination payment, indemnity, liquidated damages or otherwise (other than payments due the Vendee or the Beneficiaries pursuant to Sections 6, 7 (with respect to public liability insurance), 9 and 17 which shall be made directly to the Vendee) (such moneys being hereinafter called the Payments), it being expressly understood and agreed by the Assignee that such assignment of the Payments shall not thereby increase the amount of funds applicable to the payment or prepayment of the Conditional Sale Indebtedness or interest thereon as provided in the last paragraph of Article 4 of the Conditional Sale Agreements; and (ii) the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease and to do any and all other things whatsoever which the Vendee as lessor is or may become entitled to do under the Lease. In furtherance of the foregoing assignment and transfer, the Vendee hereby authorizes and empowers the Assignee, in the Assignee's own name or in the name of the Assignee's nominee, or in the name of or as attorney hereby irrevocably constituted for the Vendee as lessor, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Lessee with the terms and agreements on its part to be performed under the Lease.

The Assignee agrees to accept any Payments made by the Lessee for the account of the Vendee as lessor pursuant to the Lease. To the extent received, the Assignee shall apply such Payments to satisfy the obligations of the Vendee under the Conditional Sale Agreements, subject to the limitations contained in the last paragraph of Article 4 of the Conditional

Sale Agreements, and any balance shall be paid, by wire transfer of immediately available funds, to and retained by the Beneficiaries, unless and until the Vendee shall otherwise direct the Assignee in writing. If the Assignee shall not receive any rental payment under the first paragraph of Section 3 of the Lease when due, the Assignee shall forthwith notify the Vendee at the address set forth in the Lease.

So long as an Event of Default under the Lease or an event of default under the Conditional Sale Agreements has not occurred and is not then continuing, the Assignee will not exercise or enforce, or seek to exercise or enforce, or avail itself of any of the rights, powers, privileges, authorities or benefits hereby assigned, except the right to receive and apply the Payments as provided in this Section 1, the right to give any notice in case of the occurrence of a Default under the Lease or a default under the Conditional Sale Agreements and the right to recover directly from the Lessee amounts owing under the Lease directly to the Assignee and/or the Investors. Nothing in this Assignment shall be construed to prohibit the Vendee or the Beneficiaries from proceeding directly against the Lessee for payments due the Vendee or the Beneficiaries for indemnification pursuant to Sections 6, 9 and 17 of the Lease, proceeding directly against any insurer with respect to any public liability insurance maintained by the Lessee pursuant to Section 7 of the Lease or proceeding directly against the Lessee for specific performance of the Lessee's covenant to maintain the Units in the manner required by such Section 9. The representations, undertakings and agreements herein made on the part of the Vendee are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) in the same manner and to the same extent as set forth in Article 21 of the Conditional Sale Agreements.

SECTION 2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the liability of the Vendee under the Lease, it being understood and agreed that, notwithstanding this Assignment, or any subsequent assignment, all obligations of the Vendee to the Lessee shall be and remain enforceable by the Lessee only against the Vendee or persons other than the Assignee.

SECTION 3. To protect the security afforded by this Assignment, the Vendee further agrees as follows:

(a) the Vendee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Vendee; and, without the express written consent of the Assignee, the Vendee will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the times and place specified therein, or enter into any agreement amending, modifying or terminating the Lease; and the Vendee agrees that any amendment, modification or termination thereof without such consent shall be void;

(b) at the Vendee's sole cost and expense (subject to Articles 4 and 21 of the Conditional Sale Agreements), the Vendee will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of the Vendee under the Lease if such action or proceeding shall arise out of the willful misconduct or reckless disregard of duty of the Vendee; and

(c) should the Vendee fail to make any payment or to do any act which this Assignment requires the Vendee to make or do, then the Assignee may (but shall not be obligated), after first making written demand upon the Vendee and affording the Vendee a reasonable period of time within which to make such payment or do such act, and without releasing the Vendee from any obligation hereunder or under the Lease, make such payment or do such act in such manner and to such extent as the Assignee may deem necessary to protect the security hereof, including, without limitation, the right to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Assignee and also the right to perform and discharge each and every obligation, covenant and agreement of the Vendee contained in the Lease. In exercising any such powers, the Assignee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Vendee will reimburse the Assignee for such costs, expenses and fees.

SECTION 4. Upon the full discharge and satisfaction of all the Vendee's obligations under the Conditional Sale Agreements, this Assignment and all rights herein assigned to the Assignee shall terminate, and all estate, right, title and interest of the Assignee in and to the Lease shall revert to the Vendee.

SECTION 5. The Vendee represents and warrants that (a) the Trust Agreement, the Conditional Sale Agreements, the Conditional Sale Assign-

ments, the Lease and this Assignment have each been duly authorized, executed and delivered by the Vendee and each is and will remain the valid and binding obligation of the Vendee and, in the case of the Conditional Sale Agreements and the Lease, is enforceable in accordance with its respective terms; (b) the Vendee has not executed any other assignment of the Conditional Sale Agreements or the Lease and its right to receive all payments under the Lease is and will continue to be free and clear of any and all liens, charges, security interests or other encumbrances (except this Assignment) created or suffered by any act or omission on the part of the Vendee (other than any act or omission in respect of which the Lessee has assumed responsibility under the Lease), and the Vendee has not received any advance rental payments under the Lease; and (c) to the best knowledge of the Vendee, it has performed all obligations on its part to be performed under the Lease on or prior to the date hereof and there has not occurred on or prior to the date hereof any Default or Event of Default as defined in the Lease.

SECTION 6. The Vendee agrees with the Assignee that in any suit, proceeding or action brought by the Assignee under the Lease for any installment of, or interest on, any rental or other sum owing thereunder, or to enforce any provisions of the Lease, the Vendee will indemnify, protect and hold harmless the Assignee from and against all expense (including without limitation counsel fees), loss or damage suffered by reason of any defense, set-off, counterclaim or recoupment whatsoever claimed by the Lessee arising out of a breach by the Vendee of any obligation under the Lease or arising by reason of any other indebtedness or liability at any time owing to the Lessee from the Vendee. Any and all such obligations shall be and remain enforceable against and only against the Vendee and shall not be enforceable against the Assignee or any person or persons in whom any of the rights of the Vendee under the Lease shall vest by reason of this assignment or of successive assignments or transfers.

SECTION 7. The Assignee may assign all or any of its rights under the Lease, including the right to receive any Payments due or to become due thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving by the Assignee of written notice of such assignment to the Vendee and by the Vendee of the written notice required in Section 12 of the Lease, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 8. The Vendee hereby agrees that it will from time to time and at all times, at the request of the Assignee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee or intended so to be, including the execution and acknowledgment of any instrument necessary or appropriate to file, record, register or deposit this Assignment or notice hereof.

SECTION 9. The Vendee shall cause copies of all notices received in connection with the Lease to be promptly delivered to the Assignee at its address set forth in Article 20 of the Conditional Sale Agreements, or at such other address as the Assignee shall designate in writing. The Assignee shall give immediate notice by telegram, promptly confirmed in writing, to the Vendee and the Beneficiaries of any default by the Lessee described in clause (A) of Section 10 of the Lease and of any other default by the Lessee described in such Section 10 of which the Assignee has actual knowledge.

SECTION 10. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; *provided, however*, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording, registering or depositing, if any, of the Lease or this Assignment as shall be conferred by the laws of the several jurisdictions in which the Lease or this Assignment shall be filed, recorded, registered or deposited.

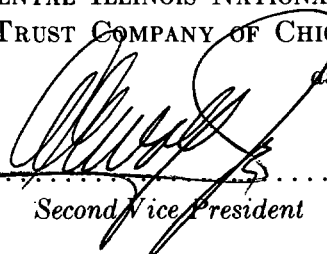
SECTION 11. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Assignee shall be deemed to be the original counterpart. Although this Assignment is dated as of July 15, 1975 for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this Assignment to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,

as Trustee

(CORPORATE SEAL)

By .....
Second Vice President

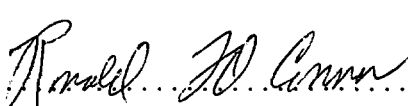
Attest:


Trust Officer

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,

as Agent

(CORPORATE SEAL)

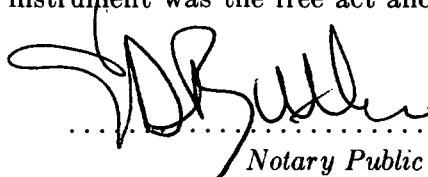
By .....
Second Vice President

Attest:


Trust Officer

STATE OF ILLINOIS }
COUNTY OF COOK } SS

On this 26TH day of September, 1975, before me personally appeared A. E. WOLF, JR., to me personally known, who, being by me duly sworn, says that he is a Second Vice President of Continental Illinois National Bank and Trust Company of Chicago, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation, as Trustee, by authority of its By-laws, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

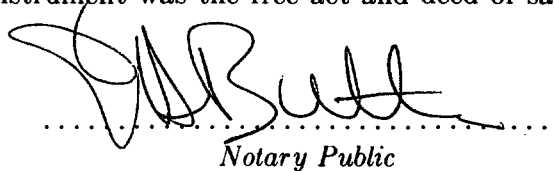

.....
Notary Public

(NOTARIAL SEAL)

My Commission expires NOVEMBER 16, 1977

STATE OF ILLINOIS }
COUNTY OF COOK } SS

On this 26TH day of September, 1975, before me personally appeared RONALD E. O'CONNOR, to me personally known, who, being by me duly sworn, says that he is a Second Vice President of Continental Illinois National Bank and Trust Company of Chicago, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation, as Agent, by authority of its By-laws, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


.....
Notary Public

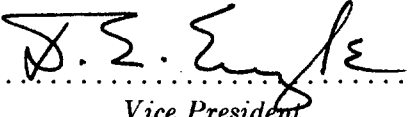
(NOTARIAL SEAL)

My commission expires NOVEMBER 16, 1977

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Assignment of Lease and Agreement is hereby acknowledged as of July 15, 1975.

ST. LOUIS-SAN FRANCISCO RAILWAY COMPANY

By 
Vice President